



ADP's NPI Compliance Project

Frequently Asked Questions

November 8, 2006

The California Department of Alcohol and Drug Programs (ADP) has created this list of Frequently Asked Questions (FAQs) in support of the National Provider Identifier (NPI) HIPAA compliance project. These FAQs address common questions and concerns of Drug Medi-Cal (DMC) trading partners. The FAQs will continue to be updated with new information as the NPI project progresses.

1. How does ADP currently identify providers?

ADP currently employs the Drug Medi-Cal (DMC) number as a proprietary identifier for Drug Medi-Cal providers. ADP must eliminate the use of DMC numbers in transactions with providers (e.g. Claims and Remittance Advices) starting May 23, 2007 in order to be HIPAA compliant.

2. What is a National Provider Identifier (NPI)?

The administrative simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) required the Secretary of Health and Human Services (HHS) to adopt a national standard identifier for health care providers for use in the health care industry. On January 23, 2004, HHS published the NPI final rule that adopts the National Provider Identifier (NPI) as the standard unique health identifier for health care providers.

3. How can a provider learn more about NPI?

Visit the [Centers for Medicare & Medicaid Services \(CMS\) NPI Web site](#) for more information.

4. Does a provider need to apply for an NPI to submit claims for the Drug Medi-Cal program?

Yes. Starting on the compliance date of May 23, 2007, the NPI will be the only health care provider identifier that can be used for identification purposes in all HIPAA covered transactions for the Drug Medi-Cal program.

5. How does a provider apply for an NPI?

The Centers for Medicare & Medicaid Services (CMS) has established a National Plan and Provider Enumeration System (NPPES). For additional information, and to complete an application, visit the [National Plan and Provider Enumeration System \(NPPES\) Web site](#).



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6. Will the NPI replace a provider's current Drug Medi-Cal number(s) and related Provider Numbers for Cost Reporting?

Yes. Beginning May 23, 2007, the 10-digit NPI will only replace the 4-digit Drug Medi-Cal provider number as well as the health care provider identifiers in use today by other payers. The existing six-digit Provider Number that is used for Budgeting and Cost Reporting will NOT be replaced by the NPI and should continue to be used in those cases.

7. Will ADP require an NPI for a person conducting counseling sessions in the Drug Medi-Cal Program?

Yes. Any individual (Type 1 as defined in the NPI Rule) providing an outpatient drug free or narcotic treatment program group or individual counseling session must have a separate NPI.

8. Will ADP expect a separate NPI for satellite offices?

Yes. Under the final rule satellite offices can be considered “subparts” of the parent organization. Therefore, ADP expects that parent and satellite offices will have separate NPIs. However, the single DMC number assigned to the parent and satellite will be tied to the individual parent NPI and the individual satellite NPI.

9. Does a provider need a separate NPI for Medicare and Drug Medi-Cal?

No. The NPI was established to eliminate having a separate legacy provider number for each health care plan.

10. Will there be an updated companion document?

Yes. The Companion Guide for HIPAA 837P and 835 Transactions will be updated to address use of the NPI. The updated version will be available in late fall.

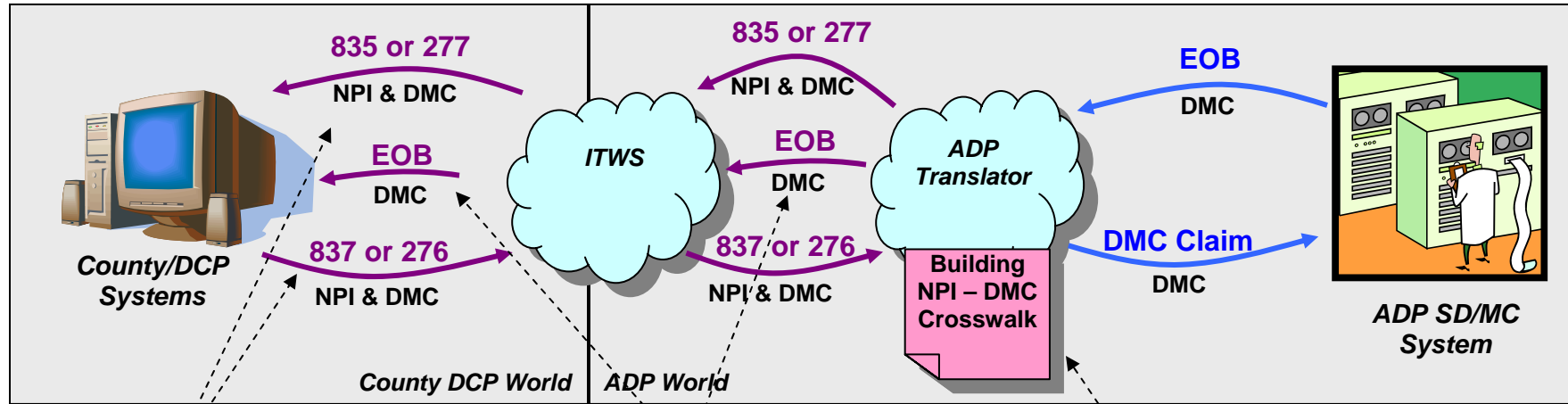
11. How will ADP obtain NPIs from Drug Medi-Cal providers?

ADP is following the recommendation from national standards group WEDI (Workgroup for Electronic Data Interchange) for the transition from proprietary provider identifiers (e.g. the DMC Number) to the NPI standard provider identifier. As described below for a subsequent question, ADP will expect claims to contain both the DMC number and the NPI number during a “Transition Period”.

Collecting both numbers allows ADP to create a “crosswalk” of DMC numbers to NPI numbers. This crosswalk is necessary to allow processing of claims by the current Short-Doyle Medi-Cal (SD/MC) claims adjudication system after the May 23, 2007 NPI compliance deadline. The “transition” and “compliance” processes are outlined in the figure below.

ADP NPI Implementation - Transition and Compliance

NPI Transition Period (Before May 23 2007)

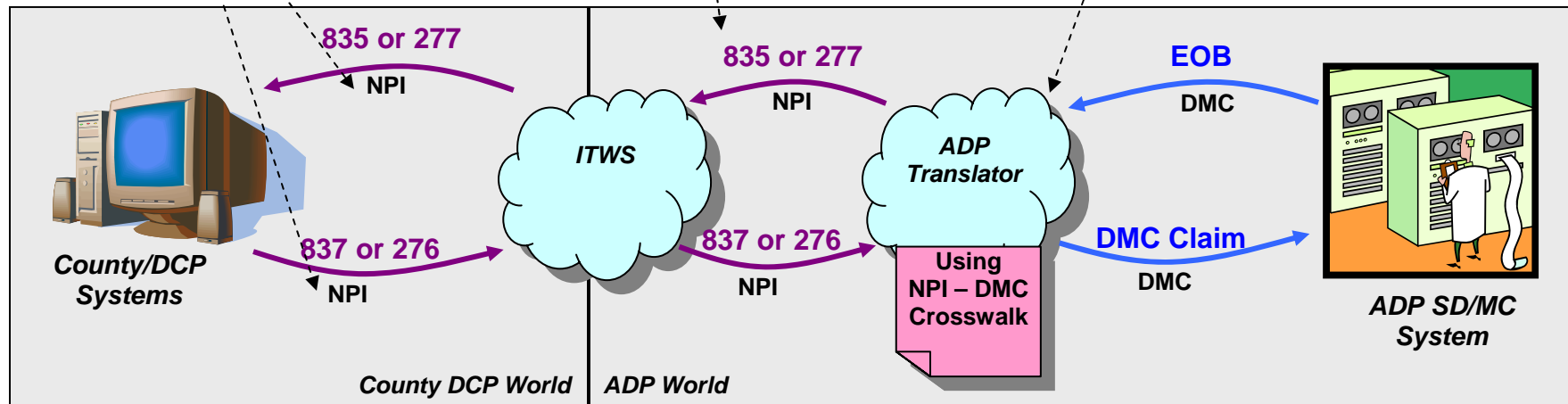


Use Both Identifiers before...
and only NPI after
the Compliance Date

Proprietary EOB
Eliminated...
835 Only

Build the Crosswalk...
Then Use the Crosswalk after the
compliance date... to translate for the
"legacy" SD/MC system

NPI Compliance Period (May 23, 2007 and onward)



* DCP = Direct Contract Provider



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12. When will ADP stop issuing DMC Numbers?

ADP will continue to issue DMC Numbers to providers through May 22, 2007. However, ADP will require new providers to provide their NPI number on the Drug Medi-Cal Application (ADP 8001) starting March 1, 2007. ADP currently allows new providers to optionally supply their NPI number on the Drug Medi-Cal Application.

Existing Drug Medi-Cal providers must provide their NPIs when making changes to their Drug Medi-Cal enrollment information, starting March 1, 2007.

13. Will ADP be using the WEDI transition plan to collect NPIs for the Drug Medi-Cal Program?

Yes. ADP will be utilizing the WEDI transition plan to collect NPIs. ADPs implementation involving acceptance and processing of transactions with the NPI will occur in separate stages. Those stages are:

Phase 1 (May 23, 2005 – December 31, 2006) - Although NPI applications are accepted and NPIs issued, NPIs can not yet be submitted to Drug Medi-Cal as part of electronic HIPAA transactions.

Phase 2 (January 1- May 22, 2007) - NPIs can be submitted in transactions sent to Drug Medi-Cal but will not yet be used in Drug Medi-Cal transaction processing.

Phase 3 (May 23, 2007 and beyond) - NPIs must be submitted to Drug Medi-Cal on claim transactions, as well as included by ADP on outbound 835 transactions.

14. On or after May 23, 2007, if a provider has a claim with a date of service prior to that date, should a provider use their Medi-Cal provider number on that claim or their NPI?

After the compliance date, May 23, 2007, the Drug Medi-Cal Number will no longer be allowed in transactions. The NPI will be the only health care provider identifier that can be used for identification, regardless of date of service.

15. Will the Explanation of Balance (EOB) reports include the NPI? Which loop will they read (e.g., Billing Provider, Pay-to Provider, Rendering Provider, etc.)?

In order to comply with the Transactions and Code Sets Rule, ADP will be discontinuing the transmission of the EOB Report. The 835 transaction will be the sole remittance advice for reporting approved and denied claims. The NPI supplied at the 2010AA loop, Billing Provider, NM109 of the 837P will be reported in the 835 at the 1000B loop, Payee Identification, N104.